



ESTADO LIBRE ASOCIADO DE
PUERTO RICO
Compañía de Fomento Industrial

May 22, 2015

VIA E-MAIL AND UPS

Henry Guzmán, Esq.
Assistant Regional Counsel
United States Environmental Protection Agency
Office of Regional Counsel
290 Broadway, 17th Floor
New York, NY, 10007-1866

RE: San German Superfund Site

Dear Mr. Guzmán:

This letter is in response to (1) the meeting convened on April 8, 2015 by the Environmental Protection Agency (EPA), attended by representatives of EPA, Wallace Silversmith of Puerto Rico, CCL Label Puerto Rico Inc., and the Puerto Rico Industrial Development Company (PRIDCO), as well as (2) your e-mail dated May 19, 2015, transmitting a copy of EPA's Notice of Potential Liability and Request for Information. As to the Notice of Potential Liability and Request for Information, PRIDCO will be providing a complete response to that document, as requested by EPA.

Relative to PRIDCO's response to the discussion at the April 8 meeting and your e-mail, both of which address EPA's requirement that interim remedial measures be undertaken in areas of the San German Superfund Site, PRIDCO advises EPA as follows:

- PRIDCO understands fully the importance of the matter, and has sent letters to the two facilities under lease with PRIDCO, which are Wallace and CCL Label. The letters set forth in clear and certain terms the tenants' environmental, health and safety responsibilities under the leases, which include, but are by no means limited to, full compliance with EPA's requirements. Copies of the letters are included as an Annex. In addition to the annexed letters, we have been talking with Wallace regarding the interim measures sought by EPA. As for the vacant building, PRIDCO understands it is not necessary to take any interim measures because the building is vacant.

- Although PRIDCO understands that the tenants are the ones which are going to respond and attend to the situation, PRIDCO respectfully requests to be notified of the process. For that matter, PRIDCO will need the full report of the results of the vapor tests conducted by EPA at the site. At the meeting we requested it, and are still waiting for the missing parts of the vapor intrusion report.
- By way of response to EPA's request for a list of the tenants, past and present, at: the building now occupied by Wallace Silversmith, project T-0343-0-56 and T-0261; the building rented by CCL Label, project S-0551-0-60; and the building which is now vacant, project S-0373-0-56, please see below:

A. Project T-0343-0-56 and T-0261 History- Wallace

Date	Tenant	Parent Company
1972-1984	International Silver of Puerto Rico	Insilco Corporation Number 1000, Research Parkway, Meriden Conn.
1984	Wallace International of Puerto Rico	Katy Industries buys Insilco corporation. 853 Dundee Ave. Elgin Ill 60603
1986		Syrtech buys Katy and assumes lease. 175 McGlellan Highway E. Boston Massachusetts 02128
2006		Lifetime Brands buys Syrtech and assumes Wallace International lease. 1000 Stewart Avenue Garden City, New York, 11530
2010	Wallace Silversmith of Puerto Rico Ltd.	Lifetime Brands
2015	Wallace Silversmith of Puerto Rico Ltd.	Lifetime Brands

B. Project S-0551-0-60 History- CCL LABEL

The construction of the building was finished on 10/19/1961

Date	Tenant	Parent Company
1963-1970	Midland Knitting Mills Inc.	
1971-1992	Digital Equipment Corp.	Digital Equipment Corporation 140 main Street Maynard Massachusetts 01754 1998-Compaq buys Digital Equipment Corp. (40 Old Bolton Rd. Stow, MA 01775 USA) 2002- Hewlett Packard merged with Compaq (3000 Hanover Street Palo Alto CA 94304)
1995	Insert Corporation of Puerto Rico Inc.	Menasha Insertco Acquisition Company (411 East Wisconsin Avenue Milwaukee, WI 53202-4497)
1995		Menasha Corporation buys Menasha Insertco Acquisition Company
1998	Lucas Insertco Pharmaceutical Printing Co.	John D. Lucas Printing Co. Buys Menasha Insertco acquisition company
2003	CCL Insertco Puerto Rico Inc.	CCL Label Inc. buys Lucas Insertco Corporation and changes name to CCL Insertco Puerto Rico.
2011- present	CCL Label (San German) Inc. Change of corporate name	CCL Label Inc. (161 Worcester Road Suite 502 Framingham, MA 01701)

C. Project S-0373-0-56. It is vacant

The construction of the extension of the building was finished on March 5, 1959.

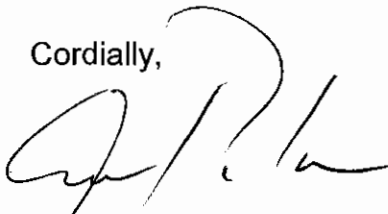
Date	Tenant	Parent Company
1956-1975	Northridge Knitting Mills	
1976-1979	Fashion Knitwear Inc.	
Nov. 16 1982 to mayo 1987	Digital Equipment Inc.	Digital Equipment Corporation (140 main Street Maynard Massachusetts 01754)
		1998-Compaq buys Digital Equipment Corp. (40 Old Bolton Rd. Stow, MA 01775 USA)
		2002- Hewlett Packard merged with Compaq (3000 Hanover Street Palo Alto CA 94304)
1998-2007	Bay-Tex International Corp.	

I trust that the foregoing information satisfies your immediate request. PRIDCO will be providing substantial additional information concerning PRIDCO's tenants in response to the Request for Information, but, in the interim, please do not hesitate to let me know if there is any more information you would like from PRIDCO right away. We will not hesitate to provide it.

Finally, Henry, your e-mail raises other important issues, one of which relates to EPA's request for a technical conference call. I will follow up with you by phone concerning these additional items.

Please feel free to contact me with any questions you may have.

Cordially,



Ana Palou Balsa
Legal Counsel
Puerto Rico Industrial Development Company



ESTADO LIBRE ASOCIADO DE
P U E R T O R I C O
Compañía de Fomento Industrial

May 13, 2015

CERTIFIED MAIL

Pedro J. Nieves Miranda, Esq.
Fiddler, Gonzalez & Rodriguez, PSC
254 Muñoz Rivera Avenue
6th Floor, Hato Rey, PR 00918

Dear Mr. Nieves:

This letter is in response to Wallace's Silversmith de Puerto Rico Ltd., (Wallace), letter dated April 15, 2015 and our subsequent meeting held on April 17, 2015 at PRIDCO's office.

On both instances Wallace requests PRIDCO to take action in order to find a solution towards EPA's requirement to address and immediate interim remedial action at Wallace operation facility located in San German.

PRIDCO appreciates Wallace's prompt response to discuss EPA's requirement. We agree with you that at this moment the most important issue is the health and wellbeing of the employees. Because of that and in accordance with our meeting, PRIDCO has reviewed the lease agreement subscribed between Wallace Silversmith and PRIDCO and the obligations there established.

The lease agreement subscribed between PRIDCO and Wallace, renewed on January 21, 2015, establishes that the Tenant has the obligation to immediately respond and remedy any environmental emergency and has to comply with all EPA requirements.

Section 12.01 (q) of the lease agreement states:

In the event of any hazardous substance spill, leak, or escape or any other occurrence which requires the removal of hazardous substances or environmental remediation, **Tenant shall be responsible to remedy it immediately.** Tenant shall be responsible for **hiring, at its own**

expense, those companies with proven experience and reputation to perform said removal activities and/or environmental remediation and shall carry out all the necessary negotiations to accomplish said removal and/or remediation. Prior to the formation of any contractual agreement with any company or consultant for the removal and/or remediation, the company or consultant must be approved by Landlord. The scope of work prepared by the Landlord authorized company shall be submitted to Landlord for its approval. In the event of any violation or contamination of the leased premises, Landlord may request Tenant to remain in the leased premises and to continue paying rent until the leased premises are in compliance with local and federal regulations. At all times, tenant shall be obligated to immediately notify Landlord in writing upon occurrence of any event that requires removal of contaminants or environmental remediation and shall coordinate with Landlord any clean-up, contamination removal, or environmental remediation before commencement thereof provided that if the event which requires removal of contaminants or environmental remediation should occur during non-working periods, in which case (such as weekends or holidays) Tenant shall immediately notify Landlord the next working day. The notice to Landlord by Tenant in the event of a spill leak or escape does not release Tenant to its obligation to notify the pertinent governmental agencies as required by law, regulation, municipal ordinance, judicial order, executive order, administrative order or by any other legal requirement.

Should any environmental mishap occur, but not limited to, a spill, release or leak that poses an imminent danger to human health or to the environment in addition to taking all such protective measures, responses and notifications as are required by environmental laws, regulations and permits, Tenant shall cease its warehousing if Tenant's warehouse are the direct cause of said environmental mishap until said mishap is controlled and all risk to human life or to the environment is suppressed.

Also, section 12.01(r) states:

Tenant shall be liable for any environmental damage and the necessary or remedial action as results from Tenant's operations. Tenant shall indemnify Landlord for any lawsuit, civil or criminal action, administrative action, fine, claim, remedial action and/or clean-up and/or pollutant removal action, toxic or hazardous substance or waste as defined in local and federal laws and regulations that may arise as a result of tenant's

warehouse or **during Tenant's occupation of the leased Premises.** The term contaminant includes petroleum and its derivatives, asbestos, and PCB. Tenant shall also be liable and shall indemnify Landlord for any complaint, civil or criminal action, administrative action, fine or claim that arrives as a result of any violation of any law, regulation, rule, Administrative Order, Executive Order or environmental requirement of any local or federal governmental entity that arises as a result of Tenant's warehouse or during the term Tenant occupied the leased premises. Tenant's liability toward landlord and its obligation to indemnify Landlord shall survive the termination of this lease agreement.

Section 12.01 also states that:

Tenant shall comply with all laws, rules regulations, executive orders administrative orders and **requirements of local and federal governmental agencies** having jurisdiction over tenant's operations at the leased premises. Tenant shall submit evidence of said compliance and of any permits, and agency endorsements, provided that Tenant shall submit to Landlord all operational permits related with the lease premises and its operation. Tenant shall maintain the Leased Premises and conduct the operations thereat in compliance with the terms, and requirements specified in i) the Environmental Impact Statement, or any other document prepared for the evaluation of environmental aspects of its operations at the Leased Premises; and ii) the permits issued by the governmental agencies with jurisdiction over the operations at the leased premises. Tenant, at its own cost and expense, shall install on the leased premises the necessary equipment to prevent its operation from affecting adversely the environment integrity of the Leased Premises, or causing any disturbance to the adjacent properties or to the community in general.

Any improvement or installation of equipment for pollution controls required by any agency or governmental entity having jurisdiction thereof shall be at Tenant's expense and subject to Article VII of this lease agreement. Tenant shall also comply with the following permits and regulations, without limitation of any other applicable environmental requirement.

Section 20.01 states that:

- (a) **Tenant at its own cost and expense, shall observe and comply with** (i) any requirement of condition under any federal state or

municipal law or regulation (including any executive order or municipal ordinance) applicable now or in the future to the leased premises, or to the use of the lease premises (including but not limited to any federal, state or local law, regulation or ordinance applicable to air and water quality, toxic or hazardous materials or substances, waste disposal, emissions or any other environmental matter, if necessary; (ii) all requirements or conditions to obtain, maintain and when appropriate, renew all permits and endorsements necessary to use the leased premises for the purpose allowed by this lease agreement and by the use permit issued by ARPE for the leased premises; (iii) the requirements of the insurance companies having issued policies for the leased premises as provided by article XV of this lease agreement; (iv) any real estate condition, lien or encumbrance affecting the leased premises (v) all zoning and land use requirements, and (vi) any other requirement imposed by law that compels any duty or obligation with respect to the use or occupation of the leased premises

- (b) Tenants compliance with any requirement described above shall be at tenants cost and expense, including, but not limited to, any other expense related to improvements installations required by any agency or government instrumentality with jurisdiction, as a condition to the issuance or renewal of a permit or endorsement for the operations that tenant is to carry out at the leased premises.

Section 14.02 states that:

Landlord shall not be liable, and Tenant releases Landlord and waives any claim against Landlord, for any damage to or loss of any property located at the leased premises which belongs to Landlord and/or its agents, employees, invitees and/or visitors, and for any other damage or loss suffered by Tenant, or any damage or loss to Tenant which arises from fire, steam, or smoke; short circuit; water; electricity; gas; or other utility failure; rain, storms hurricanes or other weather condition; flood or leakage; defects in pipes, cables, appliances, plumbing, and/or air conditioning systems, regardless If such damage or inconvenience is the result of the condition or working order of the leased premises, or any part of it. Landlord shall not be liable for any damage or loss suffered by Tenant, its agents, employees, invitees and/or visitors. Tenant waives and shall be barred from filing any claim against Landlord for any damage or loss at the leased premises or to any person or property within the leased premises for any cause other than gross negligence by Landlord.

Section 14.01 states that:

Tenant shall defend, indemnify and hold harmless Landlord, its directors, officers, employees, invitees, representative, successors and assignees of liability from any loss, claim, fine, penalty, attachment, action or complaint of any type or kind, including any incidental expense or cost (including but not limited to, defense costs, settlement and attorney fees) in relation to or as a consequence of any damage to a third party (including death), or any damage, loss of destruction of any third party's property, (a) in or around the leased premises due to any act or omission of the Tenant's or any of its employees (whether or not said act is within the scope of employees job), agents, authorized persons, visitors, successors or assignees or cause wholly or in part by any act or omission of any of the former or (b) due to the use or occupation of the leased premises by tenant, its agents, employees, invitees, or visitors (ii) violation of any federal or state law or regulation, or municipal ordinance or of any judicial or administrative order as a direct indirect consequence of the use or occupation of the leased premises by Tenant; (iii) or due to breach of any of the obligations under this lease agreement. The provisions of this article XIV shall survive and remain in full force after the expiration of the Term or the termination of this lease agreement.

The Environmental Protection Agency EPA has required immediate action to be taken in the facility leased by Wallace in order to safeguard the health of the employees working in the facility.

For the reasons previously stated, and in accordance with the lease agreement, it is Wallace's responsibility to immediately comply with EPA requirement perform said removal activities and/or environmental remediation and shall carry out all the necessary negotiations to accomplish said removal and/or remediation.

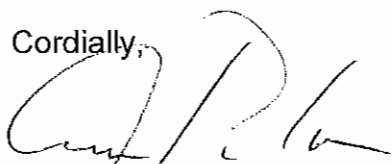
Wallace is hereby required to notify PRIDCO with all the information regarding any equipment to be installed and the contractor if any to be employed in order for PRIDCO to have knowledge about the remedial action. For that matter, please send PRIDCO all documentation related to the measures to be taken for the extraction of vapors in the building and any other communication that EPA sends related to the studies conducted in the area.

Your letter also refers to the historic owners and operators of the buildings occupied by Wallace and their possible responsibility to attend EPA's requirement. On that matter,

from PRIDCO standpoint in that facility there has been the same operation since 1972. First, it was International Silver who then was acquired by Wallace International and finally and still operating by Wallace Silversmith. We know that there have been changes in the parent companies, but the lease and the obligations there established remained the same.

PRIDCO reiterates Wallace's obligation to comply with the lease agreement and as such with EPA requirements to ensure the health and well-being of the employees working in Wallace operation located in San Germán.

Cordially,

A handwritten signature in black ink, appearing to read 'Ana Palou Balsa', written over a horizontal line.

Ana Palou Balsa
Legal Counsel
Puerto Rico Industrial Development Company



ESTADO LIBRE ASOCIADO DE
PUERTO RICO
Compañía de Fomento Industrial

May 13, 2015

CERTIFIED MAIL

Luis D. Perez
CCL Label of Puerto Rico Inc.
Urb. El Retiro Carr. 102 Km.32.3
San German PR 00683

Dear Mr. Perez:

On April 8, 2015 the Environmental Protection Agency, EPA, conducted a meeting at their Puerto Rico offices. PRIDCO, Wallace Silversmith de Puerto Rico Ltd. and CCL Label were present.

The objective of the meeting was to give an overview of the findings obtained by studies conducted in San German, which includes the area where CCL Label operation is located.

At the meeting, EPA required immediate action on the building occupied by CCL, identified as project S-0551-0-60 in order to protect the health of employees working in the facility. Specifically, EPA required the installation of a soil vapor extraction system to address the sub-soil gas condition in the building.

The lease agreement subscribed between PRIDCO and CCL on June 8, 2006, establishes that the Tenant has the obligation to immediately respond and remedy any environmental emergency and to comply with all EPA requirements.

Section 12.01 (p) of the lease agreement states:

In the event of any hazardous substance spill, leak, or escape or any other occurrence which requires the removal of hazardous substances or environmental remediation, **Tenant shall be responsible to remedy it immediately.** Tenant shall be responsible for **hiring, at its own expense, those companies with proven experience and reputation to perform said removal activities and/or environmental remediation**

and shall carry out all the necessary negotiations to accomplish said removal and/or remediation. Prior to the formation of any contractual agreement with any company or consultant for the removal and/or remediation, the company or consultant must be approved by Landlord. The scope of work prepared by the Landlord authorized company shall be submitted to Landlord for its approval. In the event of any violation or contamination of the leased premises, Landlord may request Tenant to remain in the leased premises and to continue paying rent until the leased premises are in compliance with local and federal regulations. At all times, tenant shall be obligated to immediately notify Landlord in writing upon occurrence of any event that requires removal of contaminants or environmental remediation and shall coordinate with Landlord any clean-up, contamination removal, or environmental remediation before commencement thereof provided that if the event which requires removal of contaminants or environmental remediation should occur during non-working periods, in which case (such as weekends or holidays) Tenant shall immediately notify Landlord the next working day. The notice to Landlord by Tenant in the event of a spill leak or escape does not release Tenant to its obligation to notify the pertinent governmental agencies as required by law, regulation, municipal ordinance, judicial order, executive order, administrative order or by any other legal requirement.

Should any environmental mishap occur, but not limited to, a spill, release or leak that poses an imminent danger to human health or to the environment in addition to taking all such protective measures, responses and notifications as are required by environmental laws, regulations and permits, Tenant shall cease its warehousing if Tenant's warehouse are the direct cause of said environmental mishap until said mishap is controlled and all risk to human life or to the environment is suppressed.

Also, section 12.01(q) states:

Tenant shall be liable for any environmental damage and the necessary or remedial action as results from Tenant's operations. Tenant shall indemnify Landlord for any lawsuit, civil or criminal action, administrative action, fine, claim, remedial action and/or clean-up and/or pollutant removal action, toxic or hazardous substance or waste as defined in local and federal laws and regulations that may arise as a result of tenant's warehouse or **during Tenant's occupation of the leased Premises.** The term contaminant includes petroleum and its derivatives, asbestos, and PCB. Tenant shall also be liable and shall indemnify Landlord for any

complaint, civil or criminal action, administrative action, fine or claim that arrives as a result of any violation of any law, regulation, rule, Administrative Order, Executive Order or environmental requirement of any local or federal governmental entity that arises as a result of Tenant's warehouse or during the term Tenant occupied the leased premises. Tenant's liability toward landlord and its obligation to indemnify Landlord shall survive the termination of this lease agreement.

Section 12.01 also states that:

Tenant shall comply with all laws, rules regulations, executive orders administrative orders and requirements of local and federal governmental agencies having jurisdiction over tenant's warehouse at the leased premises. Upon request by Landlord tenants shall submit evidence of said compliance and of any permits, and agency endorsements such as but not limited to:

...

- (iv) The Puerto Rico Occupational safety and Health Office. (PROSHO)
- (vi) The US environmental protection agency (EPA)

...

Tenant shall maintain the Leased Premises and conduct its warehouse there at in compliance with the terms, conditions, and requirements specified in i) the Environmental Impact Statement, or any other document prepared for the evaluation of environmental aspects of its operations at the Leased Premises; and ii) the permits issued by the governmental agencies with jurisdiction over the warehouse at the Leased Premises.

Tenant, at its own cost and expense, shall install on the leased premises the necessary equipment to prevent its warehouse from affecting adversely the environment integrity of the Leased Premises, or causing any disturbance to the adjacent properties or to the community in general.

Any improvement or installation of equipment for pollution controls required by any agency or governmental entity having jurisdiction thereof shall be at Tenant's expense and subject to Article VII of this lease agreement. Tenant shall also comply with the following permits and regulations, without limitation of any other applicable environmental requirement:

...

Section 20.01 states that:

- (a) **Tenant at its own cost and expense, shall observe and comply with** (i) any requirement of condition under any federal state or municipal law or regulation (including any executive order or municipal

ordinance) applicable now or in the future to the leased premises, or to the use of the lease premises (including but not limited to any federal, state or local law, regulation or ordinance applicable to air and water quality, toxic or hazardous materials or substances, waste disposal, emissions or any other environmental matter, if necessary; (ii) all requirements or conditions to obtain, maintain and when appropriate, renew all permits and endorsements necessary to use the leased premises for the purpose allowed by this lease agreement and by the use permit issued by ARPE for the leased premises; (iii) the requirements of the insurance companies having issued policies for the leased premises as provided by article XV of this lease agreement; (iv) any real estate condition, lien or encumbrance affecting the leased premises (v) all zoning and land use requirements, and (vi) any other requirement imposed by law that compels any duty or obligation with respect to the use or occupation of the leased premises

- (b) Tenants compliance with any requirement described above shall be at tenants cost and expense, including, but not limited to, any other expense related to improvements installations required by any agency or government instrumentality with jurisdiction, as a condition to the issuance or renewal of a permit or endorsement for the operations that tenant is to carry out at the leased premises.

Section 14.02 states that:

Landlord shall not be liable, and Tenant releases Landlord and waives any claim against Landlord, for any damage to or loss of any property located at the leased premises which belongs to Landlord and/or its agents, employees, invitees and/or visitors, and for any other damage or loss suffered by Tenant, or any damage or loss to Tenant which arises from fire, steam, or smoke; short circuit; water; electricity; gas; or other utility failure; rain, storms hurricanes or other weather condition; flood or leakage; defects in pipes, cables, appliances, plumbing, and/or air conditioning systems, regardless If such damage or inconvenience is the result of the condition or working order of the leased premises, or any part of it. Landlord shall not be liable for any damage or loss suffered by Tenant, its agents, employees, invitees and/or visitors. Tenant waives and shall be barred from filing any claim against Landlord for any damage or loss at the leased premises or to any person or property within the leased premises for any cause other than gross negligence by Landlord.

Section 14.01 states that:

Tenant shall defend, indemnify and hold harmless Landlord, its directors, officers, employees, invitees, representative, successors and assignees of liability from any loss, claim, fine, penalty, attachment, action or complaint of any type or kind, including any incidental expense or cost (including but not limited to, defense costs, settlement and attorney fees) in relation to or as a consequence of any damage to a third party (including death), or any damage, loss of destruction of any third party's property, (a) in or around the leased premises due to any act or omission of the Tenant's or any of its employees (whether or not said act is within the scope of employees job), agents, authorized persons, visitors, successors or assignees or cause wholly or in part by any act or omission of any of the former or (b) due to the use or occupation of the leased premises by tenant, its agents, employees, invitees, or visitors (ii) violation of any federal or state law or regulation, or municipal ordinance or of any judicial or administrative order as a direct indirect consequence of the use or occupation of the leased premises by Tenant; (iii) or due to breach of any of the obligations under this lease agreement. The provisions of this article XIV shall survive and remain in full force after the expiration of the Term or the termination of this lease agreement.

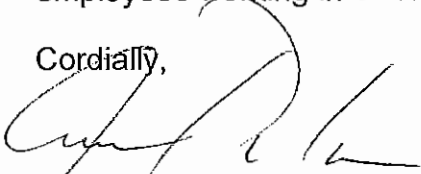
The Environmental Protection Agency EPA has required immediate action to be taken in the facility leased by CCL in order to safeguard the health of the employees working in the facility.

For the reasons previously stated, and in accordance with the lease agreement, it is CCL responsibility to immediately comply with EPA requirement perform said removal activities and/or environmental remediation and shall carry out all the necessary negotiations to accomplish said removal and/or remediation.

CCL is hereby required to notify PRIDCO with all the information regarding the equipment to be installed and the contractor if any to be employed in order for PRIDCO to have knowledge about the remedial action. For that matter, please send PRIDCO all documentation related to the measures to be taken for the extraction of vapors in the building and any other communication that EPA sends related to the studies conducted in the area.

We reiterate CCL obligation to comply with the lease agreement subscribed between us and as such comply with EPA requirements to ensure the health and well-being of employees working in CCL operation in the project S-0551-0-60 in San Germán.

Cordially,



Ana Palou Balsa
Legal Counsel
Puerto Rico Industrial Development Company